SHRI L. P. SHAHI: Sir, that matter was raised in the meeting of the Council held only a few days ago and that is under consideration as to how we should involve teachers and students in this work.

डा० जगन्नाथ मिश्र : सभापति महोदय, मंत्री जी से मैं यह जानना चाहूंगा कि मूल्यांकन समिति ने जो वर्गीकरण किया है, उस वर्गीकरण मे स्पष्ट है कि स्वैच्छिक इकाइयों को जो पैसे दिए गए हैं, उन पैसों का दुरुपयोग हुआ है । उत्तर में जैसा कहा गया है कि केटेगरी "ए" में जो पूर्ण रूप से संतोषप्रद है, वह केवल 27 संस्थायें हैं 347 में से, और केटेगरी "ग" के उत्तर मे आपने कहा कि मुख्य कारण है कि प्रशिक्षण नहीं है, व्यवस्था नहीं है, जो शिक्षण के कार्य होने चाहिएं, वह अच्छे स्तर के नही हैं, ऐसी परिस्थिति में प्रारम्भ मे सरकार ने क्या सोचा था इन स्वैच्छिक संस्थाओं को जिम्मेदारियां देने के लिए ? अगर उन्हें पूर्व से शर्तें मालूम थीं, उन शर्तों को उन्होंने पूरा नहीं किया तो फिर उन्हें यह अनुदान क्यों दिया गया ? सरकार ने कोई मापदंड पहले से निर्धारित कर रखा था या नहीं ? यह सार्वजनिक रुपए का अपव्यय करने का क्या औचित्य हो सकता है ? जांच-पड़ताल किए बिना ऐसी संस्थाओ को, ऐसे केन्द्रों को चलाने की अनुमति क्यों दी गई ? जब यह कार्यान्वयन समिति ने स्पष्ट त्रुटिया बताई तो सरकार बताए कि इन त्रुटियों को दूर करने के उनके कारगर कदम क्या है ? केवल मात्र पैसे वापस लेना या उन पर कार्यवाही करना पर्याप्त नही होगा । जो संस्थाये कार्यरत हैं, उनमें से अधिकांश संस्थाओं का कार्य असंतोषप्र है क्योंकि आपके उत्तर के अनुसार संतोषजनक श्रेणी में केवल 27 संस्थायें ही हैं, जिनके नाम दर्ज है, बाकी सभी संस्थाओं का कार्य असंतोषप्रद है । सरकार उनके बारे में क्या उपाय करेगी कि जिन संस्थाओं के कार्य आर्थिक रूप से पूर्ण रूप से असंतोषप्रद है, उनके दोष दूर किए जायं ।

श्री एल० पी० साही : महोदय, मैंने पूर्व में ही अर्ज किया है कि इन संस्थाओं का चुनाव राज्य-सरकारों की अनुशंसा उनकी मार्फत आने के बाद हुआ था और अगर आप इसको गौर से देखेंगे तो जिन 76 संस्थाओं के बारे में कहा गया है कि अनसेटसफैक्टरी है और उनके बोनाफाइडस भी डाउटफुल हैं, हम लोगों ने उनको प्रेक्टीकल एग्जामिन किया है और उन 76 संस्थाओं में 27 ऐसी देखी हैं, जिनके बोनाफाइडस के बारे मे है । जिन संस्थाओं के काम में इंप्रूवमेंट की जरूरत है, उनमें मैं यह मानता हूं कि उनको ट्रेनिंग देकर या उनको कुछ बताकर उनका काम इम्प्रूव किया जा सकता है । केवल 27 ही ऐसी संस्थायें निकली है, जिनके बोनाफाइडस भी डाउटफुल हैं तो उनसे पैसे लौटाने की कार्यवाही की है ।

*2. [*The questioner (Shri Ram Jethmalani was absent. For answer vide Col. 31 infra.*]

Partial Privatisation of the Airlines

*3. DR. YELAMANCHILI SIVAJI:†
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether a Special Experts' Committee appointed by the Planning Commission, has suggested partial privatisation of the national Airlines for the development of tourism in the country;

(b) if so, what are the names of the experts and salient features of the recommendations made by the Committee, stating the considerations on which partial privatisation of the airlines has been recommended; and

†The question was actually asked on the floor of the House by Dr. Yelamanchili Sivaji.

(c) if so, what decision has been taken by Government in the matter?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION AND TOURISM (SHRI SHIVRAJ PATIL): (a) to (c) A statement is laid on the Table of the Sabha.

Statement

(a) to (c) In July, 1986 Govt. of India in the Planning Commission had appointed the National Committee on Tourism to help it in the formulation of a long-term perspective plan for tourism sector on an integrated basis. The composition of the Committee was as follows:—

(a) Shri Mohammad Yunus	—Chairman
(b) Shri S. K. Misra	—Member
(c) Dr. (Smt.) Kapila Vatsyayan	—Member
(d) Shri K. L. Thapar	—Member
(e) Dr. K. B. Lall	—Member
(f) Dr. B. Venkataraman	—Member
(g) Shri A. N. Haksar	—Member
(h) Shri Inder Sharma	—Member
(i) Shri Gautam Khanna	—Member
(j) Shri Rajan Jetley	—Member
(k) Shri A. B. Kerkar	—Member
(l) Shri R. K. Puri	—Secretary

2. The Committee submitted its report to the Government of India in June this year.

3. The recommendations of the Committee can be broadly divided into three categories:

(i) Package of financial incentives for motivating private sector investment in tourism related activities.

(ii) Reorganisation of the Department of Tourism, India Tourism Development Corporation and the Training Institutes under the Department of Tourism.

(iii) Strategy for rapid augmentation of air and ground transportation capacity.

4. The Committee has recommended partial privatisation of the airlines on the following considerations:—

(i) "It is apprehended that it (Air India) would not get adequate capital for its expansion programme through the public exchequer. It may, therefore, be worthwhile to consider partial privatisation of the airline with the majority holding remaining with the Government. This will mean the conversion of Air India into a joint stock company with a part of its equity capital being held by the public. It would also help to give it commercial orientation and user sensivity."

(ii) "As is the case with Air India, Indian Airlines may also not be able to achieve their desired expansion due to serious constraint of resources. It may, therefore, be worthwhile to consider partial privatisation of Indian Airlines with the majority holding remaining with the Government. This would also help to make the organisation more responsive to customer service".

5. The recommendations made by the National Committee on Tourism are being examined by Government of India.

DR. YELAMANCHILI SIVAJI: Hon. Chairman, last night, about 30 Members of Parliament, both from Lok Sabha and Rajya Sabha travelled from Hyderabad to Delhi and it took about 9 hours to reach Delhi from Hyderabad. The boarding ticket was issued at about 5 P.M....

SHRI VITHALRAO MADHAVRAO JADHAV: It took four hours from Bombay to Delhi.

DR. YELAMANCHILI SIVAJI: ... and the plane reached here at about 2.30 A.M. to-day. Will the Hon. Minister ensure that by privatisation of the Indian Airlines as well as Air India, such delays would be avoided? The hon. Minister says that by privatisation, resources may be mobilised. I do not know how private companies will be able to mobolise resources on their own? As we know and as is the case in other sectors, they will depend only on the financial institutions for resources.

Another thing is, the Indian Airlines is having a monopoly. It is the only organisation operating domestic air transport. Then, why should they go on advertising in various newspapers and other media, pampering some advertising agencies, which only means diversion of funds? Is there any need at all for the Indian Airlines to advertise when it is a State monopoly? Will the hon. Minister ensure...

SHRI N. K. P. SALVE: It is an advice.

DR. YELAMANCHILI SIVAJI: Will the hon. Minister ensure that no employee loses his job when privatisation takes place?

(*Interruptions*)

MR. CHAIRMAN: I think it is his maiden question. Please do not interrupt him.

DR. YELAMANCHILI SIVAJI: We know what happened in the Scooters India Limited when it was privatised. Half of the employees were thrown out of their jobs. Will the hon. Minister clarify this point?

SHRI SHIVRAJ PATIL: I will try to find out what is the question and try to reply to it. (*Interruptions*)

MR. CHAIRMAN: Will you make your question pointed so that the Minister can answer?

DR. YELAMANCHILI SIVAJI: Firstly, I would like to know whether the hon. Minister will be able to ensure the timely arrival and departure of flights by privatisation? Secondly, what is the purpose of advertisement by the Indian Airlines when it has a monopoly? Is it warranted? (*Interruptions*)

SHRI SHIVRAJ PATIL: Sir, the question is on a suggestion given in a report submitted by one of the Committees which was appointed. Questions which have been put by the hon. Member are not directly on this point. However, I would like to say that with 50 aircraft, we are transporting one crore passengers from place to place. When this position is explained to the hon. Members, they will realise under what difficult situation the airlines have been working in the country. If there have been delays, we are sorry for it. We will take all steps to see that delays are avoided. We are trying to induct other aircraft also.

About advertisement and other things...

(*Interruptions*)

SHRI SUBRAMANIAN SWAMY: He has taken his briefing from an air hostess. (*Interruptions*)

SHRI SHIVRAJ PATIL: About advertisement and other things, the airlines are working on a commercial basis and they are expected to bring to the notice of the customers the time-table, flight timings etc. and it is for this reason they advertise.

DR. YELAMANCHILI SIVAJI: Will the hon. Minister ensure that the employees working in the Indian Airlines as well as Air India do not lose their jobs when privatisation takes place? I have given the example of the Scooters India Limited where half of the employees lost their jobs. I hope the fate of the employees working in the Indian Air-

lines and Air India will not be the same.

SHRI SHIVRAJ PATIL: Sir, the hon. Member is presuming certain things. He is presuming that the Government has taken a decision to privatise. This is not the position and, therefore, the question of the employees working in the Indian Airlines and Air India losing their jobs does not arise at this point of time.

SHRI KRISHNA KUMAR BIRLA: Sir, there is a slight background to this question which I have made with your permission and that is, owing to lack of proper air facilities our tourist traffic is suffering. Last year, in the year 1987, according to the information available, it appears that almost one lakh tourists could not come to India and the reason was that there was no air space available. Secondly, Sir, as far as Air India's own percentage in the international traffic is concerned, this has gone down from 45 per cent to 35 per cent. In view of this I would say that the report which has been submitted by the Special Experts' Committee is a good report, they have made suggestion for partial privatisation. They have stated that part of the capital be given to the private sector, to private people. (*Interruptions*). This is a fact. I am only telling what the fact is. The suggestion is that part of the capital may be privatised and the majority of shares may still remain with the Government. Now my question is this. There are two Airlines, one is Indian Airlines and the other is Air India. Indian Airlines is making money, while Air India is losing. My question is divided into two parts. Firstly, whereas I concede that it is possible to partly privatise Indian Airlines, the question is when Air India is losing money, who will purchase its shares in the private sector? Secondly, the question is in case it is not possible to offer Air India shares to private sector or private people, private public, will it be possible for the Government to consider permitting private sector to start airlines just as there are private airlines in other parts of the world, like Calidonian or Cathay Pacific.

SHRI SHIVRAJ PATIL: It is a fact that we need more capacity and it is necessary to expand the Indian Airlines as well as Air India. Without additional capacity or without more aircraft it would be difficult to meet the demands of the customers from the country and from abroad also. Attempts are being made to have the aircraft and induct them into the airlines to meet the demands of the people.

One of the questions asked is, who is going to purchase the shares of Air India. The Government has not issued the shares. Government is not asking that the shares should be purchased by the public at large. No decision has been taken on this point. This is a suggestion made in a report which has to be accepted or rejected. Only then the Government's position on this point can be made clear. So, at this point of time there is no question of issuing the shares to the people at large and trying to find out whether there is anybody to purchase them or not.

SHRI KRISHNA KUMAR BIRLA: The main thrust of my question has been lost. The question is, in case Air India goes on losing money, how will the things improve? My thrust was on the point that Air India should make money. Only then it can be privatised.

SHRI SHIVRAJ PATIL: I would like to bring to the notice of the Members of this august House that the Indian Airlines is earning profit and until two years back Air India was also making profits. Certain things have happened internationally. Certain taxes have been imposed on the fuel and we need certain more capacity. Because of these reasons it has not been possible for Air India to earn profits but until recently Air

India was also earning profit and meeting the demands of the people, that fact we cannot be oblivious of.

About allowing private airlines and all these things, it is a big issue. It will be difficult to give an answer on the policy matters in reply to a question put. Unless this matter is considered in its totality and all aspects are taken into account, the pronouncement on the policy matter in reply to questions cannot be done.

SHRI SURESH KALMADI: Sir, the Expert Committee has recommended conversion of Air India to a joint stock company. Government has to take a decision, but I would only like to go into the decision taken by the British Government to have British Airways go private. They offered their shares first to the Airlines people—the pilots, the navigators, the hostesses—and they bought a lot of shares and the public bought the shares. As a result what we see in the British Airways is lot of competition and improvement in its working conditions and also good profit. So the Government might like to study that before taking a decision on this.

I would like to know, before we go in for privatisation of Indian Airlines and Air-India, what has happened to the decision already taken by the Government, for example, on air taxis to encourage tourism. Many companies had agreed and I think we would save a lot of money on adding new aircraft to Vayudoot if the air taxi scheme came.

SHRI SHIVRAJ PATIL: Sir, the bigger issue of privatisation in the light of what has happened in Great Britain cannot be studied in isolation. There are many historical facts and other facts which have to be kept before our eves to come to correct conclusions. Before taking a decision on a crucial issue like this, all aspects have to be taken into account.

As far as the rest of the question is concerned, Government did decide that those who have the aircraft in the country, if they want to use these as private air taxis here, they are allowed. But if they want to purchase aircraft from outside and want foreign exchange and things like that, it is not allowed.

SHRI DIPEN GHOSH: Mr. Chairman, Sir, partial privatisation has been recommended by a Special Committee appointed by the Planning Commission. I do not share the view expressed by that Special Committee, nor do I share the views expressed by my learned colleague, Mr. Birla...

SHRI KRISHNA KUMAR BIRLA: I was only asking a question.

SHRI DIPEN GHOSH:...because I do not think that privatisation is the panacea for an efficient service to be rendered by any public service. Sir, the arguments which have been put forth by the Special Committee are mainly of resource constraints. As you know, Sir, Birlas' own companies get more money from the public sector than from the private sector, because all banks are nationalised, the financial institutions are all nationalised and they mostly get the resources from the public sector, the public financial institutions. So if a public sector organisation like the Indian Airlines or Air-India suffers from resource constraint, they could as well borrow from the public financial institutions as Mr. Birla is borrowing.

SHRI KRISHNA KUMAR BIRLA: We get from private sector also.

MR. CHAIRMAN: You come to your question.

SHRI DIPEN GHOSH: All right, Sir. This is our experience that in most of the corporate sector, these houses own only 6 to 7 per cent equity shares and the other money comes from the public and the public financial institutions. So I want to know categorically from the hon. Minister whether he is prepared to assure this House that they

are not going to consider this recommendation, for that matter, of partial privatisation of the Indian Airlines and Air-India.

SHRI SHIVRAJ PATIL: Sir, I do not want to enter into any argument on this point. I would just like to say that this is a recommendation given by a committee. It has not been considered by the Government and until the Government takes a decision this way or that way, the present position continues.

SHRI VISHWA BANDHU GUPTA: Sir, I would like to know from the hon. Minister the quantum suggested in terms of money for privatisation—the private sector to be given so much money and the Government to retain so much money, and also whether the Committee has recommended upgrading of airports and starting of new airports and whether they have suggested concrete steps for improving the image of these two Airlines.

SHRI SHIVRAJ PATIL: Sir, this Committee has made many suggestions. They have made suggestions to improve the services provided by the Indian Airlines, the railways, the roadways and all those things. There is always scope for improvement and we would certainly like to improve them. The image which is already there is acceptable to the people, and if there is some improvement to be done, we would certainly be doing that.

MR. CHAIRMAN: Mr. Subramanian Swamy.

SHRI JAGESH DESAI: What about me, Sir? I was the first.

SHRI GURUDAS DAS GUPTA: Sir, we have also been raising our hands. It is an important question.

SHRI SUBRAMANIAN SWAMY: Sir, the Minister is probably aware that this concept of allowing a certain amount of competition has been accepted even in socialist countries like China and, now, the USSR.

SHRI DIPEN GHOSH: After achieving socialism... (*Interruptions*)...

SHRI SUBRAMANIAN SWAMY: I say, even after that. Though late, wisdom has dawned on them. So, I would like to know from the Minister whether he is ruling out even partial privatization of the airlines. Is he ruling it out? He says he is considering. I want to know whether the mind of the Government is open or if there is a certain policy restriction by which he can say that it is ruled out. I would like to know where the Government stands on this.

SHRI SHIVRAJ PATIL: Sir, probably the honourable Member is aware of the fact that on broad policy issues, no replies are given to questions on the floor of the House.

SHRI SUBRAMANIAN SWAMY: I made a mistake in saying "Open mind." He has no mind at all.

SHRI JASWANT SINGH: Sir, a very short question: In the aviation history of the world, ever since the Wright Brothers first managed to take an aircraft into the air, Indian Airlines has earned the distinction of actually managing to collide a civil, passenger, aircraft with a bull. Now, having achieved this unique distinction of having actually managed, with a civil, commercial, aircraft to collide with a bull, would the Government of India consider having this fact recorded as an index of its great inefficiency in the Guinness Book of Records?

SHRI SHIVRAJ PATIL: Is that a question? Am I expected to answer it?... (*Interruptions*)...

SHRI MURASOLI MARAN: Will he avoid such accidents? That is the question... (*Interruptions*)...

SHRI JAGESH DESAI: Sir, this is very important and I would like to

draw the attention of the Minister on these two lines: In the recommendations it has been mentioned, "It would also help to give it commercial orientation and user sensitivity. ... This would also help to make the organisation more responsive to customer service." That means, at present the public sector is not doing these two things; they are not seeing to the customer, services. These two remarks are very damaging to the public sector. They say that because of constraint of resources they want to see that equity should also be from the private sector. But, as Mr. Dipen Ghosh has rightly pointed out, not more than 10 per cent of the resources are by way of equity capital and out of that, here also they say that the Government should have majority shares. That means five per cent of the shares are to be given to the private sector and you want Directors from them.

MR. CHAIRMAN: What is your question, please?

SHRI JAGESH DESAI: If it is accepted, it will open the floodgates and in many of the public sector organizations this kind of demand will be made. That is why, instead of equity capital, we have now given them the right to float bonds. Where resources are required they should float bonds and Government should never accept this kind of a recommendation.

SOME HONOURABLE MEMBERS: Yes, yes.

SHRI JAGESH DESAI: The charge that we are going in for privatization will be substantiated by such things and, therefore, I request the Government that they should give a categorical assurance that this kind of a recommendation will not be accepted by the Government and that Government wants that the public sector should retain the commanding height and it will be maintained. I would like that kind of a reply from the Minister. ...*(Interruptions)*...

SHRI SHIVRAJ PATIL: It is a suggestion by the honourable Member.

Non-inclusion of drugs having multifarious uses in the price control order

*4. DR. BAPU KALDATE:†
SHRI DAYANAND SAHAY:

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to refer to the answer to Unstarred Question 3406 given in the Rajya Sabha on the 9th December, 1987 and state:

(a) whether it is a fact that Government did not recommend a number of drugs used for National Health Programmes for price control due to the reasons that these drugs have multifiarious uses, including Vitamin A, Iron, Calcium which are extensively used for diseases under National Programmes;

(b) whether it is also a fact that Tetracycline, Paracetamol, Quinine, Hydrocortisone were recommended for price control due to exclusive use for National Health Programme;

(c) whether these drugs also have multifarious uses; and

(d) what are the reasons for not following the uniform criteria rigidly for drawing the list?

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI MOTI LAL VORA): (a) The considerations which weighed with the Government for price control did not rest only on multiple use of a drug in different disease conditions but also on various other criteria laid down by the Government.

(b) and (c) Tetracycline and Hydrocortisone in drops and ointment

†The question was actually asked on the floor of the House by Dr. Bapu Kaldate.